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January 11, 2005

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RECEIVED

JAN 11 2005

PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: Ada Mae Clem v. Kentucky Utilities Company
Case No. 2004-00499

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten (10) copies each Kentucky Utilities Company's Motion for Leave to File an Amended Answer and the Amended Answer in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Yours very truly,

Allyson K. Sturgeon

AKS/ec
Enclosures
cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

JAN 11 2005

ADA MAE CLEM)
)
 COMPLAINANT)
)
 vs.)
)
 KENTUCKY UTILITIES COMPANY)
)
 DEFENDANT)

PUBLIC SERVICE
COMMISSION

CASE NO. 2004-00499

AMENDED ANSWER OF
KENTUCKY UTILITIES COMPANY

In accordance with the Kentucky Public Service Commission's ("Commission") Order of December 15, 2004, in the above-captioned proceeding, Kentucky Utilities Company ("KU") respectfully submits its Amended Answer to the Complaint of Ada Mae Clem ("Ms. Clem") filed on December 1, 2004. In support of its Amended Answer and in response to the specific averments contained in Ms. Clem's Complaint, KU states as follows:

1. KU admits the allegations contained in paragraphs (a) and (b) of the Complaint.
2. With respect to the allegations contained in paragraph (c) of the Complaint concerning the address at 615 North Upper Street, KU states that former tenant Stover requested that service be disconnected under his name on May 18, 2004. In fact, service was disconnected on that date and a final bill was sent to Mr. Stover. Diversion of electric service was subsequently discovered at that address on June 9, 2004. However, because Original Sheet No. 82.1 of KU's electric tariff which provides, "[u]pon the absence of an active account, the property owner assumes responsibility for any consumption and the Company's property and service" did not become effective until July 1, 2004, KU will not hold Ms. Clem responsible for

the diversion of electricity at that address discovered on June 9, 2004. KU agrees to credit Ms. Clem's account in the amount of the charge for the diversion that KU discovered on June 9, 2004.

3. With respect to the allegations contained in paragraph (c) of the Complaint concerning the address at 967 Valley, KU states that former tenant Spencer requested that service be disconnected under his name on June 21, 2004. In fact, service was disconnected on that date and a final bill was sent to Mr. Spencer. Diversion of electric service was subsequently discovered at that address on July 14, 2004 and again on August 13, 2004. Service was formally commenced under Ms. Clem's name on September 1, 2004. Pursuant to Original Sheet No. 82.1 of KU's electric tariff, "[u]pon the absence of an active account, the property owner assumes responsibility for any consumption and the Company's property and service." Thus, any consumption of electricity at that address after July 1, 2004, became the responsibility of Ms. Clem as the property owner. Ms. Clem was properly assessed a charge for the diversions that KU discovered on July 14, 2004, and August 13, 2004.

4. KU denies all allegations in the Complaint which are not expressly admitted in the foregoing paragraphs of this Amended Answer.

FIRST AFFIRMATIVE DEFENSE

The Complainant fails to set forth any claim upon which relief can be granted by this Commission and, therefore, should be dismissed.

SECOND AFFIRMATIVE DEFENSE

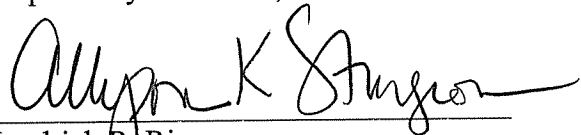
Complainant has failed to set forth a *prima facie* case that KU has violated its tariff or any Commission statute or regulation, and the Complaint should be dismissed for that reason.

WHEREFORE, for all of the reasons set forth above, Kentucky Utilities Company respectfully requests:

- (1) that the Complaint herein be dismissed without further action being taken by the Commission;
- (2) that this matter be closed on the Commission's docket; and
- (3) that KU be afforded any and all other relief to which it may be entitled.

Dated: January 11, 2005

Respectfully submitted,



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Senior Regulatory Counsel
Louisville Gas and Electric Company
220 West Main Street
Post Office Box 32010
Louisville, Kentucky 40232
Telephone: (502) 627-4850

Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Amended Answer was served on the following persons on the 11th day of January 2005, by U.S. mail, postage prepaid:

Ada Mae Clem
163 East Loudon Avenue
Lexington, Kentucky 40505


Counsel for Kentucky Utilities Company

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADA MAE CLEM)
)
 COMPLAINANT)
)
 vs.)
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 DEFENDANT)

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PUBLIC SERVICE
COMMISSION

CASE NO. 2004-00499

MOTION FOR LEAVE TO FILE AN AMENDED ANSWER

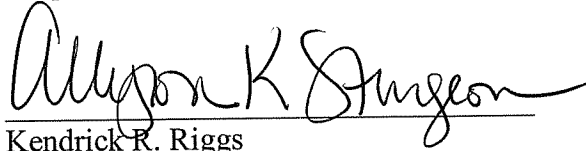
Pursuant to 807 KAR 5:001, Section 3(5), Kentucky Utilities Company (“KU” or the “Company”) hereby moves the Kentucky Public Service Commission (“Commission”) for leave to file an Amended Answer. In support of its Motion, KU states as follows:

On December 28, 2004, KU filed its Answer to the Complaint of Ms. Ada Mae Clem (“Ms. Clem”). After filing the Answer, representatives of KU realized that they had overlooked the fact that the diversion of utility service at 615 North Upper Street occurred on June 9, 2004, which was a few weeks prior to the July 1, 2004 implementation of the Company’s new tariff providing “[u]pon the absence of an active account, the property owner assumes responsibility for any consumption and the Company’s property and service.” As a result, KU has concluded that Ms. Clem should not have been charged for the diversion that was discovered on June 9, 2004, and will credit her account in the amount of the charge. KU seeks to amend its Answer to correct this inadvertent error.

WHEREFORE, Kentucky Utilities Company respectfully requests the Commission to enter an order granting it leave to amend its Answer.

Dated: January 11, 2005

Respectfully submitted,

A handwritten signature in black ink that reads "Allyson K. Sturgeon". The signature is written in a cursive style with a horizontal line underneath it.

Kendrick R. Riggs
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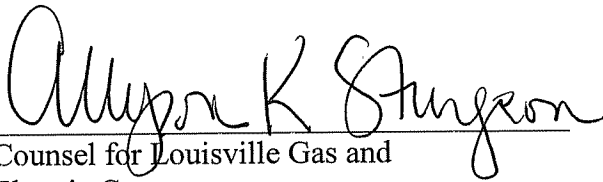
Elizabeth L. Cocanougher
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Louisville, Kentucky 40232
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Counsel for Kentucky Utilities Company

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163 East Loudon Avenue
Lexington, Kentucky 40505


Counsel for Louisville Gas and
Electric Company